

In the Matter of)
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Presubscribed Interexchange Carrier Charges) CC Docket No. 02-53
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ORDER

Adopted: October 14, 2005

Released: October 14, 2005

By the Acting Deputy Chief, Wireline Competition Bureau:

1. On October 13, 2005, and October 14, 2005, respectively, the Verizon telephone companies (Verizon) and SBC Communications, Inc. (SBC) filed petitions seeking a waiver of the Commission's *PIC Change Charge Order*.¹ In that order, the Commission revised its requirements regarding presubscribed interexchange carrier (PIC) change charges.² PIC change charges are federally-tariffed charges imposed by local exchange carriers (LECs) on end user subscribers when these subscribers change their presubscribed interexchange carriers (IXCs). Based on the record in the proceeding, the Commission required incumbent LECs to adopt separate PIC change charges for changes that are processed electronically and manually.³ The Commission adopted a safe harbor of \$1.25 for electronically processed PIC changes, and a safe harbor of \$5.50 for manually processed PIC changes.⁴ The Commission also required that, when a customer changes its PIC in conjunction with changing its intraLATA primary interexchange carrier (LPIC), incumbent LECs should assess half of the applicable federally-tariffed PIC change charge (the 50 percent requirement).⁵ The *PIC Change Charge Order* required incumbent LECs to revise their federal tariffs to reflect these changes within 30 days of publication of the order in the Federal Register, by April 14, 2005.⁶ The Wireline Competition Bureau extended by six months the date by which carriers were required to make the revisions, from April 14, 2005 to October 17, 2005.⁷

¹ Verizon Emergency Petition for Waiver, CC Docket No. 02-53 (filed Oct. 13, 2005) (Verizon Petition); Emergency Petition for Temporary Waiver of SBC Communications Inc., CC Docket No. 02-53 (filed Oct. 14, 2005) (SBC Petition); *Presubscribed Interexchange Carrier Charges*, CC Docket No. 02-53, 20 FCC Rcd 3855 (2005) (*PIC Change Charge Order*).

² *Id.* at 3864-65, para. 22.

³ *Id.* at 3858-59, paras. 7-10.

⁴ *Id.* at 3862-62, paras. 16-17.

⁵ *Id.* at 3864, para. 21.

⁶ *Id.* at 3864-65, paras. 22, 26. The *PIC Change Charge Order* was published in the Federal Register on March 15, 2005. *Presubscribed Interexchange Carrier Charges*, 70 Fed. Reg. 12601 (Mar. 15, 2005).

⁷ *Presubscribed Interexchange Carrier Charges*, CC Docket No. 02-53, Order, 20 FCC Rcd 7661, 7662-63, paras. 3-4 (Wireline Comp. Bur. 2005).

2. Verizon seeks a waiver of the 50 percent requirement for an additional two months.⁸ Verizon asserts that it needs additional time to make software changes to its billing and ordering systems, and the next software release in which the 50 percent requirement can be included is scheduled for December.⁹ Verizon also states that it must notify customers, adopt new methods and procedures, and train service representatives to administer the charges.¹⁰ Verizon argues that its requested delay will not harm consumers because Verizon's currently-tariffed bifurcated PIC change charge rates are below the \$5.50 manual and \$1.25 electronic safe harbors adopted in the *PIC Change Charge Order*.¹¹ Verizon's rates are \$4.25 for a manual PIC change and \$1.00 for an electronic PIC change.¹²

3. SBC seeks a waiver of both the 50 percent requirement and the requirement to tariff bifurcated PIC change charge rates.¹³ SBC lists the modifications it must undertake to implement the revisions required in the *PIC Change Charge Order*, including changing its regional retail and carrier billing and ordering systems, changing its Customer Account Record Exchange (CARE) system, and modifying the methods and processes used by service representatives, product tracking systems, and other operations support systems.¹⁴ SBC notes that in an earlier letter to the Commission SBC estimated that it would require approximately 10-12 months to implement these changes.¹⁵ SBC asserts that it has made significant progress toward full implementation, but it must still complete the system and release testing phase, which will take approximately an additional eight weeks to complete.¹⁶

4. Verizon and SBC have shown good cause for an extension of the tariff revision deadline.¹⁷ Verizon and SBC have requested only a short extension to implement the necessary software changes and finalize implementation of the revised PIC change charge rules. We therefore grant an extension of the tariff revision deadline. Incumbent LECs must now file revised rates in compliance with the *PIC Change Charge Order* to be effective no later than January 1, 2006.

5. Accordingly, IT IS ORDERED, pursuant to sections 1-4, 201, 203, and 205 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154, 201, 203, and 205, and section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, and authority delegated under sections 0.91 and 0.291 of the

⁸ Verizon Petition at 1, 3.

⁹ *Id.* at 3.

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.* at 2-3.

¹³ SBC Petition at 1-2.

¹⁴ *Id.* at 2.

¹⁵ *Id.* (citing Letter from Toni Acton, Associate Director, SBC Services, Inc., to Marlene Dortch, Secretary, Federal Communications Commission, CC Docket No. 02-53 (filed March 31, 2005)).

¹⁶ SBC Petition at 3-4.

¹⁷ 47 C.F.R. § 1.3; *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*); *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972) (*WAIT Radio*).

Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, that Verizon's and SBC's petitions for waiver of the date for filing tariff revisions related to the requirements of the *PIC Change Charge Order* ARE GRANTED, to the extent discussed above. Incumbent LECs SHALL FILE REVISED RATES, in compliance with the *PIC Change Charge Order*, TO BE EFFECTIVE NO LATER THAN JANUARY 1, 2006.

FEDERAL COMMUNICATIONS COMMISSION

Donald K. Stockdale
Acting Deputy Chief
Wireline Competition Bureau